

STATEMENT OF PROFIT AND LOSS

For the six months
ended June 30

1973	1972
------	------

General and administrative expenses:

Accounting and office services ..	\$ 16,000	\$ 12,000
Advertising and promotion	2,398	1,192
Filing and stock exchange listing fees	766	885
Insurance and taxes	577	399
Legal and audit fees	6,650	5,790
Report to shareholders and meeting expense	1,843	3,864
Salaries	12,000	12,000
Share issue expense	—	10,789
Transfer agency expense	690	626
Other general expenses	2,125	1,450
	43,049	48,995
Interest earned	16,212	5,672
	26,837	43,323

Amount written off:

Exploration and development expenses	172,989	101,143
Loss for period	\$ 199,826	\$ 144,466

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the six months
ended June 30

1973	1972
------	------

Source of funds:

Interest income ...	\$ 16,212	\$ 5,672
---------------------	-----------	----------

Application of funds:

Exploration and development expense	368,928	95,929
General and administrative expenses	43,049	48,995
Investment in other mining exploration company ...	3,433	—
	415,410	144,924
Decrease in working capital	399,198	139,252
Working capital — beginning of period	890,727	326,099
Working capital — end of period	\$ 491,529	\$ 186,847

JOREX LIMITED

SUITE 600, 85 RICHMOND ST. W.,
TORONTO, ONTARIO

JOREX

LIMITED

INTERIM
REPORT
June 30, 1973

TO THE SHAREHOLDERS:

Enclosed are the interim financial statements of your company for the six months ended June 30, 1973.

You will note from the statement of deferred development and exploration expense that Jorex is carrying on an extensive exploration and acquisition program.

Jorex and New Calumet Mines have optioned, each as to 50%, the control block of shares in Silver Eureka Mines, a Nevada corporation, which in turn controls indirectly (approximately 48.5%) Mines et Produits Chimiques de Salsigne, a producing mine in France which mills approximately 650 short tons per day of gold, silver, bismuth and arsenic ore. Net profit after write-offs before taxes for the period January 1 to June 30, 1973, amounted to US\$1,345,350.50.

A feasibility study conducted by Selection Trust personnel on behalf of the optionors has been completed. At the present time, metallurgical test work is being carried out on behalf of Jorex and New Calumet. The aim is to improve recoveries of the traditional ore and to design a flow sheet and plant capable of handling the large tonnage of contact ore which is indicated in the mine but has, to date, not been treated due to metallurgical problems.


Important lead-zinc discoveries have recently been made by Imperial Oil Limited on the Cuvier Mines property in the Gays River area in Nova Scotia.

Jorex and Imperial Oil are equal participants in an active drilling program being conducted on 692 mining claims acquired in the Gays River area. Four diamond drills are employed.

Your company has entered into an agreement with the Millmor Syndicate on an additional 624 claims in the Hopewell area, Nova Scotia. Diamond drilling will commence in the near future to test a sizable area of copper mineralization indicated by recently-completed geochemical surveys and surface exposures.

A major exploration program, financed equally by Dome Mines and Jorex, is being carried out in southern Yukon on gold-silver discoveries made toward the end of the 1972 prospecting season.

Your company is active in other programs being carried out in Vermont, New Hampshire, Ontario, British Columbia, Quebec, and Manitoba.



J. J. RANKIN,
President.

August 2, 1973.

STATEMENT OF DEFERRED EXPLORATION AND DEVELOPMENT EXPENSE For the Six Months Ended June 30, 1973

	Balance December 31 1972	Expenditure during period	Written off in period	Balance June 30 1973
General exploration:				
General expenses — investigation and exploration for new properties in Canada, including grubstakes ..	\$ —	\$ 35,693	\$ 34,693	\$ 1,000
Wabowden Area claims — Manitoba	9,641	—	—	9,641
Whitesail Lake project — B.C.	60,021	76,100	—	136,121
Craig Prospecting Syndicate — B.C.	8,571	—	8,571	—
Swayze project — Ontario	13,702	1,897	15,599	—
Nahanni project — Y.T.	12,505	268	12,773	—
Babine project — B.C.	18,455	2,865	—	21,320
Magenta project — Manitoba	3,489	99,402	—	102,891
Gays River project — N.S.	—	32,756	—	32,756
Eureka project — France	—	25,353	—	25,353
Shelford Hills project — B.C.	—	4,429	—	4,429
Aspen project — B.C.	—	6,774	—	6,774
Caramat project — Ontario	—	2,238	—	2,238
	<u>126,384</u>	<u>287,775</u>	<u>71,636</u>	<u>342,523</u>
Participations in syndicates:				
Jorex Syndicate — Quebec	46,950	—	46,950	—
Sourdough project — Ontario	23,496	30,907	54,403	—
Boulder Syndicate — P.Q./Ont.	15,000	35,000	—	50,000
El Coco (Vermont) project — U.S.A.	—	15,246	—	15,246
	<u>85,446</u>	<u>81,153</u>	<u>101,353</u>	<u>65,246</u>
	<u>\$ 211,830</u>	<u>\$ 368,928</u>	<u>\$ 172,989</u>	<u>\$ 407,769</u>